

METHOD AND SYSTEM PROVIDING OUT-SOURCED,
MERCHANDISE RETURN SERVICES, AND
EXCHANGE AND ESCROW SERVICES

Cross-Reference to Related and Provisional Application(s)

This application claims the benefit of U.S. Provisional Patent Application No. 60/188,901, filed March 13, 2000; and, U.S. Patent Application No. 09/731,680, filed on December 6, 2000.

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Background and Summary of the Invention

The invention generally relates to distributed computer systems and/or networks of interconnected computer systems, and more particularly to a method and system providing out-sourced, merchandise return service(s) which in substantial measure is implemented over such distributed computer systems and/or networks of interconnected computer systems.

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A number of additional features and objects will be apparent in connection with the following discussion of preferred embodiments and examples.

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The method and system in accordance with the invention is broadly advantageous for establishing an out-sourced merchandise return service. For convenience of terminology in this description, the party or business concern or receiving the out-sourcing business is termed the Service Bureau or at alternative other times, the Association Service. This service bureau predominantly is linked for communication by means of a computer-implemented server such as an Internet domain (for example, e-mail communication by an e-mail server) or even more preferably, a web domain (for example, web-page matter

communication by a web domain). The party(ies) who are out-sourcing the merchandise return services may be referred to, needless to say, as merchandisers. More particularly, the profile of the representative merchandiser most likely to participate in this method of outsourcing return services includes the following characteristics.

5 The representative merchandiser is likely a retail merchandiser doing business by e-commerce. Indeed, some e-commerce merchandisers are likely transacting all of their business over the Internet/web. For others it might just be a majority, or even just some portion of their business. Nowadays there is a type of e-commerce merchandiser who offer(s) its goods in major part across the Internet and not as much by catalog sales or by
10 brick-and-mortar retail stores. Put differently, its "e-commerce" business is highly valued even if it also conducts catalog sales or sells through brick-and-mortar stores. Retail merchandiser's who transact the predominant share of their business over the Internet are sometimes known as "e-tailers." Again, "e-tailers" are reckoned as doing business-to-person e-commerce. A special class of e-tailers are the ones who essentially have no market
15 presence other than their web store. Nowadays one of the largest and most recognized names among such e-tailers is AMAZON.COM®. But for every e-tailer the size of AMAZON.COM® or BARNESANDNOBLE.COM®, there are untold multitudes of others who are much more modest in size.

 A problem facing all e-tailers, large and small, is the problem of merchandise
20 returns. The following passage recites some aspects of the return problem for online merchandisers, particularly the specially focused e-tailers.

 "Think about how often you receive unwanted presents. Sure, you appreciated the thought, but that hot-pink shirt from Aunt Thelma wouldn't have fit you even 15 pounds ago, and the color isn't remotely in your 'palette.' While returning the gift in the real world
25 might mean waiting in long lines, the wait could be much more unpleasant online: You might not be able to return it at all.

 "Consumers will spend at least \$4.5 billion online this season, and of that, about 5 percent will be returned, estimates analyst Adam Sarner of the Gartner Group (IT)....

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5 “Web sites that don't allow consumers to return products to physical stores can certainly damage a brand's image, says Gartner's Sarner. A return can be ‘an opportunity for the store to sell another pair of pants, but they are basically turning customers away’ by not accepting the returns in person, he says.

10 “Most Web sites have some form of return policy, but it might not be the most ideal for consumers, Sarner says. Some Web sites allow customers to return products, but charge a 50 percent restocking fee to cover shipping and handling costs. ‘We saw a lot of that a couple of years ago, but it has gotten a lot better,’ Sarner adds. Now a handful of merchants are covering all return shipping costs, and even allowing customers to return online purchases to their stores. But the majority of sites still have a lot of work to do on their return processes.

15 “The retail industry traditionally works on thin margins, and may be unprepared for the challenges posed by returns. Some retailers have gone for the simplified approach of creating Web versions of their catalogs. Other merchants have spun their Web sites into separate subsidiaries, using incompatible technologies to manage inventory. The results are Web sites that function with primitive back-office processing.

20 “To get returns under control, you can either out-source them to a shipper like FEDEX® or a fulfillment house like FINGERHUT®, or handle them in-house, as NORDSTROM® (NOBE) does. Whichever model you choose, you need good systems and real-time information to pull it off....”

by Luisa Beltran, “Many Unhappy Returns” (November 15, 1999),
<http://www.thestandard.com/article/display/0,1151,7458,00.html>.

25 Framed in a different context, it is expected that the entry of WAL-MART® into e-commerce is going to adversely affect an e-tailer who competes on products head-to-head with WAL-MART®. To WAL-MART®'s advantage, it has a widely distributed infrastructure of brick-and-mortar stores. This facilitates more impulse buying than e-commerce. To WAL-MART®'s disadvantage, it has a widely distributed infrastructure of

brick-and-mortar stores. These are no doubt costly to maintain. To the e-tailer's advantage, it has virtually no brick-and-mortar overhead and thus can offer goods at perhaps lower prices because of the virtual absence of such overhead. To the e-tailer's disadvantage, it has virtually no brick-and-mortar presence in a buyer's neighborhood. The absence of
5 neighborliness aside, the e-tailer can't take back returns at the neighborhood outlet as say, WAL-MART® can.

What is needed is an improvement which addresses and overcomes the shortcomings of the prior art ways in which e-tailers can accomplish returns.

It is an object of the invention to establish a service for e-tailers in order to relieve
10 such e-tailer's of the problem of returns, and do it highly cost effectively.

It is another object of the invention that the foregoing service operate in a manner likely to build goodwill with the purchasing public by virtue of a distributed network of point-of-return affiliates who will accept the e-tailer's returns on a walk-in basis in such associate's brick-and-mortar store. That is, the purchasing public ought to be pleased to
15 carry out their returns of e-commerce purchases in stores in their own neighborhood.

It is an additional object of the invention that the above service and method of carrying out the returns include a compact token affixed to each product of each order fulfilled by an e-tailer, which token is encoded with packing-slip kinds of information. In a preferred embodiment, the token is preferably a point-of-fulfillment generated and affixed
20 bar code.

It is an alternative object of the invention that the links of communication between the service, the e-tailers, and the point-of-return associates if not a wider public, be established on the Internet or the web for e-mail or web-page matter messaging and the like.

It is a further object of the invention that the above service provide various
25 association services such as compilation of quality standards, menus of uniform return policies, train and certify point-of-return associates in the parameters governing obtaining authorization for return, and promoting the goodwill of the e-tailers who subscribe or associate with the service to their purchasing public.

These and other aspects and objects are provided according to the invention as will be apparent in connection with the following discussion of preferred embodiments and examples.

Among other aspects and objects, there are, briefly stated, a secured exchange
5 facility of the service bureau. The secured exchange facility has some features of escrow,
except that the objects entrusted with the service bureau point-of-access associates are
shipped to and fro by permission of the parties. The secured exchange utility of the service
bureau promotes more assurances for buyers that they will have more leverage with sellers
in cases of non-acceptable items. The secured exchange utility of the service bureau ought
10 to promote the interests of sellers by bringing in more potential buyers into the e-commerce
market. That ought to be an advantage of the seller community. If the market of buyers is
bigger, then on-average the market for the seller's item(s) ought to get a better price.

Brief Description of the Drawings

There are shown in the drawings certain exemplary embodiments of the invention as presently preferred. It should be understood that the invention is not limited to the embodiments disclosed as examples, and is capable of variation within the scope of the
5 appended claims. In the drawings,

FIGURE 1 is a schematic diagram showing a method and system in accordance with the invention for providing out-sourced, merchandise return services; and,

FIGURE 2 is a schematic diagram showing the method and system in accordance with the invention as adapted for providing exchange and escrow services.

Detailed Description of the Preferred Embodiments

FIGURE 1 shows a method and system 10 in accordance with the invention, for providing out-sourced, merchandise return services. FIGURE 1 is highly simplified to show just the rudiments of a representative transaction in e-commerce, especially one where the recipient desires to return the received good(s). Aspects of this written description comprise an example to illustrate the diverse paths or routes taken by or available to not only the hardgoods but also the message information. However, the example is also simplified. Persons having routine skill in the art recognize that the variety of transactions which the invention can service can take multiple diverse other forms. Accordingly, the example is relied on merely for convenience in this description and does not limit the invention to this one example only.

A buyer 12 has communicated to the e-tailer domain 14 online *vis-a-vis* the Internet or World Wide Web 16 or the like. Presumptively, the buyer and e-tailer are geographically remote from each other. Of the two, the buyer is least likely to know where the e-tailer may be physically found. Indeed, the e-tailer may be spread around. Regardless, the buyer orders a given product 20 or a set of products. Buyer also designates the order to be shipped to what is referred to in the drawing as the primary target 22. Payment is customarily achieved by credit card as VISA® or MASTERCARD® or the like. The primary target can be the buyer itself, or else a recipient other than the buyer, for example a gift recipient. In the majority of such e-commerce transactions, the e-tailer and primary target are likely to be geographically remote from each other.

The e-tailer prepares (or has prepared) the order for shipment by what is called a fulfillment process 24. Some e-tailers do order fulfillment in-house, others also outsource order fulfillment responsibilities. During the fulfillment process, an inventive packing slip 26 is developed and applied to the given product. Preferably, the inventive packing slip comprises a point-of-fulfilment generated bar code. It might alternatively be an encoded magnetic strip. Such a bar-coded packing slip is affixed by any suitable means to as much of the product that preferably comprises a discrete, returnable unit. For example, if the

returnable unit comprises a box of cookies, then it is the box and not the cookies which are affixed with the bar code. If on the other hand it is a carton of boxes, then it is the carton and not the individual boxes which are affixed with the bar code.

5 More significantly, if the discrete returnable unit is a garment, then preferably it is the garment to which the bar code is directly affixed. It is known by dry cleaning establishments to bar-code incoming laundry at point of intake. A paper sticker might suffice on some products, but something more durable might be needed on others. As mentioned with laundry, dry-cleaning establishments use an indelible dye applied directly to the garment or else an iron-on patch applied to the garment. The goal is to affix the code
10 or bar code as tightly (eg., semi-permanently) to the product or its packaging as need be in order to deter persons from frustrating the method by switching tags. The inventive bar-coded packing slip is to be distinguished from the very familiar, bar-coded UPC code. The UPC code only gives information regarding the given product.

In accordance with the invention, the bar-coded packing slip shall yield much more
15 specific information surrounding the transaction as a whole, including some of the following items. The accessible information might include any or all of the following, if not more:-- eg., the identification of the e-tailer, the fulfillment service-provider, the shipper, the buyer, and the primary target; identification of the given product, which might be gotten by swiping (eg., reading) the UPC code thereon; a statement of the return policy of that e-tailer and
20 more particularly with respect to that class of products; and so on. This might be achieved by encoding the foregoing information into a bar code having sufficient bandwidth to record the message.

Alternatively, the bar code might merely be an address to a record stored on some computer-implemented storage device somewhere. One object of the invention is to
25 configure the association's server domain 30 to process requests to decipher such inventive bar-coded packing slips. For example, let's say that the fulfillment service provider wants to read the bar code to see if it printed properly. The fulfillment service provider could read the bar code by a reading device inter-connected to the device on which the record is stored.

Alternatively, the fulfillment service provider could read the bar code, and then transmit the bar code either over an e-mail server or web server, as appropriate, the URL address encoded in the bar code would serve as a request to the association's server to respond with the packing list data for reading or browsing by the fulfillment service provider. In its turn, the association's server 30 may act as a router and pull the record off the e-tailer's site 14. Alternatively, the association's server might have the record stored with devices within its own domain.

By any of the foregoing scenarios, including routine variations thereon, the following is achieved. The fulfillment service provider 24 (eg., the requester) uses a swiping device to swipe the bar-coded packing list 26. The actual message read off the bar-coded packing list incorporates an address on the net or web, the submission of the actual message functioning like a request to view the packing list record, wherever that request may have to be routed. The destination of the request either directly or indirectly through requests of its own, sends or gets sent the packing list record to the requester. In this fashion, a relatively compact bar code can signify a voluminous mass of information which will greatly facilitate the return process, as more particularly described below.

To date, the given product has yet to clear the fulfillment service provider. The fulfillment service provider (which needless to say, may be the e-tailer itself) ships the order. Shipping is almost universally out-sourced to one of a few major nationwide if not international concerns. Progress continues, and the shipper 32 delivers the order to the primary target. Experience suggests that about ninety percent of the time (or so), the primary target keeps the order and attempts no return. The remaining other times, of course, the concern of the e-tailer is facilitating an authorized return to maintain goodwill but minimize if not eliminate the cost of such returns.

So, let's assume that the primary target wants to return the order, or at least a part thereof. For sake of convenience of an example, let's make the "given product" (for example, as so designated in FIGURE 1) be what the primary target wants to return.

The primary target is one locale, but the e-tailer as well as the warehouse 34 the e-tailer will re-stock the return are located far away. Maybe the spread is a whole continent. It likely doesn't matter. The e-tailer is not likely to provide a walk-in service at its restocking warehouse 34.

5 Nevertheless, the primary target is informed by means of any various avenues of media that the e-tailer participates in an association 40 such that the e-tailer has a distributed network of point-of-return affiliates 42 who will accept the return on a walk-in basis. For example, the primary target may link to the service's web site and access a locator utility which finds, based on some input as zip code or the like, a nearby point-of-return associate.

10 From the same page, links to web-page served maps will afford the primary target the ability to find driving directions. To turn to the point-of-return affiliates, such affiliates 42 might be the private mailing enterprises that dot the country. Although, it might turn out that the point-of-return affiliates work best if they come from a completely different industry than the private mailing enterprises. Indeed, it is believed that there will likely be competition

15 by various brick-and-mortar stores to participate as such an affiliate for point-of-return association services. By doing so the brick-and-mortar stores gain for themselves increased customer traffic maybe not gotten by other means.

 The point-of-return associate 42 provides walk-in processing of the primary target's request for return. The point-of-return associate reads or otherwise enters the immediate

20 message given by the inventive bar-coded packing slip 26. Again, the immediate message might actually be a web request for the download of the more full record of the packing slip. However gotten, the point-of-return associate calls up the electronic packing slip. Unlike most paper packing slips seen nowadays, this inventive electronic packing slip includes precise information if not instructions to the point-of-return associate. Such information or

25 instructions will guide this point-of-return associate on how to properly authorize the return of the given product of this e-tailer. The e-tailer might draft the criteria itself.

Assuming that the given item is passed for return, the instructions are further likely to tell the point-of-return associate (i) what to award to the individual bringing in the return, and (ii) what to do with the returned given item.

There are many options on what to award the individual bringing in the return. The
5 options include (i) instant credit to the individual (regardless whether the actual buyer or not), (ii) credit to the buyer if different from the individual bringing in the return, or (iii) provisional credit, on the provision that the e-tailer certifies the propriety of the return once the e-tailer gets the given item back. The foregoing credits assume credit applicable with that e-tailer. Alternatively, another option might include (iv) credit with a broader
10 community of merchants, perhaps every merchant and/or e-tailer who associates with or subscribes to the association's services. More basically, an alternative option could include (v) a direct refund, in cash or equivalent.

The next tack of the point-of-return associate is to route the returned item according to the instructions gotten by the packing slip. These instructions might come directly from
15 the e-tailer. Alternatively, the instructions might have been composed by the service bureau 44. The instructions might be unchanged from the moment the bar-coded packing slip was created during the fulfillment process. More preferably, since the instructions are likely to be downloaded over the Internet or web, then this affords the e-tailer, the service bureau, or both in cooperation with each other, to dynamically update the downloadable instruction
20 set depending on changed circumstances.

For example, the instructions might be relatively unchanging:-- eg., "Ship back via such-and-such shipper to re-stocking warehouse, always." On the other hand, the downloadable instruction set might be perpetually in flux. One morning a given point-of-return associate might ship away a given item of a given retailer back to that e-tailer's
25 customary re-stocking warehouse 34. That afternoon, the same point-of-return associate 42 might be instructed to ship away to the same given item of the very same given e-tailer, to a completely different destination.

This will be illustrated with an example. Let's say one child got for the holidays three (3) identical copies of the latest, faddiest POKEMON® game toy, each one purchased from one e-tailer or another. Assume also that the givers of the gifts for this child acted early, and got these copies before the supply was exhausted for much of the rest of the public. Given the foregoing, our example child has brought in the two spare copies of the POKEMON® game toy to the neighborhood point-of-return associate, in Racine, Wisconsin. The downloaded instructions say -- rather than send back to the e-tailer's restocking warehouse in Los Angeles, do the following:-- if the condition of the returned POKEMON® game toy meets given criteria, then (i) re-affix to the returned POKEMON® game toy a new bar-coded packing list as provided to, eg., the point-of-return associate's web browser, and (ii) forward ship this POKEMON® game toy to another child in say, Madison, Wisconsin.

In FIGURE 1, this other child in (eg.) Madison, Wisconsin, is designated the secondary target 46.

The point of the foregoing example is the following. In cases of some returned items, it might be possible to have the point-of-return associate re-distribute the item to a more nearby secondary target, then ship it back to a far away re-stocking warehouse. The re-stocking warehouse might simply forward ship it to the secondary target anyway. But by the method in accordance with the invention, the action taken by the point-of-return associate to ship directly to the secondary target (when the condition of the returned item is sufficiently excellent to permit this) provides a twofold savings for the e-tailer. One, it saved the e-tailer the costs of two cross-country shipments for the price of one local shipping. And two, it got the secondary target its hoped for product much sooner. No doubt, some ideas stay in fashion regardless of the Internet, and speedy delivery is always fashionable and pleasing to the public.

With reference again to FIGURE 1, the service bureau 44 best services its populous community of e-tailers (eg., 14) and brick-of-mortar point-of-return associates 42 with a variety of association services. For instance, the service bureau might compile a set of quality standards on about every aspect of the operation. The quality standards might insist

that the point-of-return associates provide a clean and accessible store. That customer handling is speedy and affable. The point-of-return associates might be educated in diplomatic ways of handling irate customers, and not further fueling the angst. In respect of the e-tailers, they too must meet standards so that one or a few might not drag down the reputation of the community as a whole. Hence, the e-tailers are likely to be persuaded to the wisdom of a relatively relaxed return policy. If the criteria by which returns will be accepted is too stringent, then perhaps every customer attempting a return is going to be disappointed. To inform the public that there is an association and apparatus set up to facilitate returns, when in fact returns are seldom granted, is more likely to damage goodwill than to either build goodwill or just prevent its loss. Therefore, the return policies of the various e-tailers have to be in fact real and not illusory.

Indeed, another role for the service bureau 44 is to draft a short list of uniform return policies. The draft return policies are available for adoption by the e-tailers. Indeed the e-tailers likely would be induced to adopt a return policy from the association's menu. The purpose behind keeping the variety of return policies down to a few makes sense with the point-of-return associates. They ought to be so familiar with each one of the return policies on the menu that they can instantly act on any policy before a customer and apply the return policy accurately. The purpose behind keeping the different available return policies uniform serves a lot of the same reasons. The point-of-return associates ought not have to read and study a closely written legal document in order to facilitate a simple return. It will bog down the return service, and be un-popular with both customers and point-of-return associates. Of course, one of the association's persistent tasks is finding balance between what effectively serves the e-tailer community against what effectively serves the point-of-return associate community.

An additional role of the association 40 and/or 42 is to provide training if not certification for point-of-return associates. The point-of-return associates will likely have to add some hardware to their enterprise. Among the things they will need to have and need to know how to use include a portal to the Internet, a bar-code reading device (or like device

for reading the electronic packing list), and packing and shipping accessories. The training will also include customer relations as well as training in the technical matters of the return policies, what the return policies call for, and how to ensure that the respective e-tailer will honor the obligation to which the point-of-return associate is committing it.

5 A further role of the association 40 includes promoting the goodwill of the e-tailers who subscribe or associate with the service to their purchasing public. This likely includes advertising for the network of point-of-return associates. Further association services might include construction of regional re-stocking warehouses available only for the goods of e-tailers participating in the association. Also, the association might set up a financial services
10 sub-service to facilitate multiple aspects of the operation. For example, any credit given to anybody might be honored by any member e-tailer of the association. Also, the financial services sub-service might pay the shippers on behalf of the submissions of the point-of-return associates, and then bill the applicable e-tailers afterwards.

15 Pause can be taken at this stage to consider other flexible advantages that can be provided by the affiliation between the association service 40 and its distributed brick-and-mortar associates 42. These other aspects and advantages are shown in part by FIGURE 2.

20 With reference to FIGURE 2, it shows the association service 40 in combination with at least two others of its community of brick-and-mortar associates, eg., associate "A" 42a and associate "B" 42b. The utilization of the association service 40 in combination with the brick-and-mortar associates 42a, 42b *et seq.* (FIGURE 2 only showing 42a and 42b) can be adapted for facilitating long-distance transfer of goods and things in transactions of all kinds of configurations.

25 Such transactions include a buyer-vendor transaction, which may be modified secured exchange services as described more particularly below. Other transaction configurations include delivery of goods or things between a buyer and seller, the sale of which was facilitated on an Internet auction site such as E-BAY® or the like. Still other transactions might be exchanges of goods or things such as barter or swaps, which are more and more these days being facilitated by web sites of all kinds of variety.

Thus, considering first a buyer-vendor transaction, the association service can be utilized as follows for various advantages which will readily become more apparent. In FIGURE 2, the seller can be taken as one user 50^1 while the buyer can be taken as the other user 50^0 . The seller 50^1 and buyer 50^0 have agreed that buyer 50^0 will buy seller 50^1 's item 55^1 for payment. They agree to use the secured exchange facility of the service 40. The secured exchange facility works this way. The seller 50^1 finds its preferred point-of-access associate 42, which in FIGURE 2 is associate "A" 42a, and duly deposits the item 55^1 with point-of-access associate "A" 42a. Point-of-access associate "A" 42a merely holds the item at this stage. Perhaps the seller 50^1 was required to pre-pay shipping or a service fee, or otherwise have an account which will cover fees (if any) which might be owed by the seller/item-depositor 50^1 depending on the various possible outcomes which might play out from this stage.

Next, the seller 50^1 might contact buyer 50^0 or cause point-of-access associate "A" 42a to contact buyer 50^0 with a message that the item 55^1 has been entrusted in possession with a given point-of-access associate 42 (ie., 42a in this instance) of the service 40. Such message is preferably sent over the Internet in either e-mail or web format or the like. The buyer 50^0 has several options available to it to cause the shipping of the item. The buyer 50^0 can pay the seller 50^1 directly. More preferred is if the buyer 50^1 pays the service 40 or else pays a point-of-access associate 42 which the buyer 50^0 finds nearby, which in FIGURE 2 is associate "B" 42b. This secured exchange facility of the service 40 provides the buyer 50^0 with inventive aspects described more particularly next if the buyer 50^0 designates its preferred point-of-access associate 42 (eg., 42b) to receive the item 55^1 from associate 42a. If buyer 50^0 has paid (as verified by seller 50^1 or service 40) and makes such a designation, associate "A" ships to associate "B." When the item 55^1 is received by associate "B" 42b, the buyer can visit point-of-access associate "B" 42b and inspect the item there. The buyer 50^0 can refuse or pick-up the item 55^1 in its own discretion. If item 55^1 is refused, the seller 50^1 is notified. If the item 55^1 is taken, then the service 40 releases or causes release of payment to the seller 50^1 .

Briefly stated, the inventive aspect of this secured exchange facility of the service 40 is the way a buyer/receiving-user 50⁰ is afforded an opportunity to refuse the item 55¹ once the buyer 50⁰ has a chance to inspect. The service 40 plays an intermediary role which serves the buyer 50⁰ and seller 50¹ in these ways. The buyer 50⁰ is afforded an opportunity to inspect the item 55¹ before taking possession without the seller 50¹ already having gotten the payment. Hence the buyer 50¹ is in a better position to work out the problems with the seller 50¹ if the seller 50¹ hasn't already been paid. For the seller 50¹, the secured exchange facility of the service 40 is likely to attract more buyers to doing business this way, and buy from the seller 50¹, which buyers might otherwise be reluctant to buy.

10 The secured exchange facility of the service 40 can be compared to C.O.D., except that shipping from point "A" 42a never transpires until the buyer 50⁰ pays, or if not actually pays then otherwise secures payment in some chargeable fashion under the control of the service 40. For instance, the buyer 50⁰ might have to give advance authorization to a credit card charge or the like. Thus for the seller 50¹, the secured exchange facility of the service 15 40 is preferable over C.O.D. because the item was never shipped from point "A" 42a.

Other details of the transaction can be varied by the parties or settled by the Uniform Commercial Code laws. Such other details include:-- who pays the shipping; who pays the fees of the service 40 and its point-of-access associates 42; whether the service 40 requires one or both of the buyer 50⁰ and seller 50¹ to pre-pay in full or part or else offer a chargeable account with the service 40 so that the service 40 is not overly exposed to incurring loss for transactions gone awry; what remedies the seller 50¹ has against the buyer 50⁰ for wrongful refusal and so on.

The manner of use of the foregoing secured exchange process may be modified as follows. With renewed reference to FIGURE 2, again the seller 50¹ and buyer 50⁰ have agreed that buyer 50⁰ will buy seller 50¹'s item 55¹ for payment. They agree to use the secured exchange facility of the service 40 by this following manner of use. The seller 50¹ bypasses point-of-access associate "A" 42a, and instead ships the item 55¹ to point-of-access associate "B" 42b which is proximate the buyer 50⁰. Point-of-access associate "B" a merely

holds the item at this stage. Although the seller 50¹ likely pre-paid the shipping fee, the seller 50¹ would preferably have an account with the service 40 or an open charge on a credit card or the like which will cover fees (if any) which might be owed by the seller/item-depositor 50¹ depending on if the buyer 50⁰ refuses the item 55¹.

5 Next, the seller 50¹ might contact buyer 50⁰ or cause point-of-access associate "B" 42b to contact buyer 50⁰ with a message that the item 55¹ shall soon arrive at and/or will be entrusted in possession with point-of-access associate "B" 42b of the service 40. Such message is preferably sent over the Internet in either e-mail or web format or the like.

10 As a condition precedent to shipping, the seller 50¹ may have required the buyer 50⁰ to pre-pay or place a deposit. Whereas the buyer 50⁰ might agree to pay the seller 50¹ directly, more preferred is if the buyer 50¹ pays the service 40 or else pays a point-of-access associate 42 which the buyer 50⁰ finds nearby, which in FIGURE 2 is associate "B" 42b. Here again the service 40 is providing services in the nature of escrow by holding buyer's payment until buyer is afforded an opportunity to inspect item 55¹ at the agreed upon point-
15 of-access associate 42 (eg., 42b). When the item 55¹ is received by associate "B" 42b, the buyer can visit point-of-access 42b and inspect the item 55¹ there. The buyer 50⁰ can refuse or pick-up the item 55¹ in its own discretion. If item 55¹ is refused, the seller 50¹ is notified. If the item 55¹ is taken, then the service 40 releases or causes release of payment to the seller 50¹.

20 As before, other details of the transaction can be varied by the parties or settled by the Uniform Commercial Code laws. Such other details include:-- who pays the shipping; who pays the fees of the service 40 and its point-of-access associates 42; whether the service 40 requires one or both of the buyer 50⁰ and seller 50¹ to pre-pay in full of part or else offer a chargeable account with the service 40 so that the service 40 is not overly exposed to
25 incurring loss for transactions gone awry; what remedies the seller 50¹ has against the buyer 50⁰ for wrongful refusal and so on.

Whereas the foregoing manners of use of the service 40's secured exchange facility serves a long-standing general need between buyers and sellers, it more particularly ensures

more trustworthy transactions given today's Internet auction and swap sites. FIGURE 2 shows a generic Internet auction and swap site. One of the more popular ones of such sites surely includes E-BAY®, for example. On such an auction site, an offeror offers its item for sale to others, who when they buy usually have no opportunity to evaluate the item except from the offeror's description and perhaps some scanned-in images. While perhaps only a small fraction, there are buyers who are finding themselves disappointed if not close to being deceived once they get their items. Getting the offeror to take back the item in these cases is a practical impossibility, short of a lawsuit. And the offeror no doubt has its own side of the story to tell also. In any event, some of these disappointed buyers, once bitten, shy away from doing much more business in the e-commerce arena.

The secured exchange utility of the service 40 promotes more assurances for the buyer 50⁰ that it gets at least some inspection for the item 55¹ without having to be out all of its payment. The secured exchange utility of the service 40 ought to bring in (or bring back) more potential buyers into the e-commerce market to the advantage of the seller community. If the market of buyers is bigger, then on-average market for the seller's item(s) ought to get a better price.

It may be noted that, if a buyer 50⁰ wrongly refuses pick-up at point "B" 42b, and the buyer 50⁰ transacted with the seller 50¹ as an original matter through the swap or auction site 60, the seller's remedies for wrongful refusal might also be covered by policies of the swap or auction site 60. This would provide an additional layer of remedies for the seller 50¹, in addition to the Uniform Commercial Code and so on. The service 40 has the option of providing its own layer(s) of buyer/seller remedies or alternative resolution processes.

A further utilization of the secured exchange facility of the service 40 accommodates swap transactions, or barter or exchanges. This time around, FIGURE 2 can be reckoned as showing one user 50¹ entrusting one item 55¹ with point-of-access associate "A" 42a. Another user 50⁰ is shown entrusting another item 55⁰ with point-of-access associate "B" 42b. When both parties 50¹ and 50⁰ have completed the deposit of their respective items 55¹ and 55⁰, then upon proper notification presumptively verified by the service 40, the

associates 42a and 42b cross-ship the items 55¹ and 55⁰. Here again, each recipient user 50¹ and 50⁰ gets to inspect the incoming item 55⁰ and 55¹ respectively, with some chance to refuse acceptance.

5 The rules of pick-up can be structured in various ways. The pick-ups of each party 50¹ and 50¹ can be arranged to occur concurrently, such that the point-of-access associates 42 retain possession until each party 50¹ and 50⁰ accepts. Or else, one party may be the earlier party to visit its point-of-access associate 42 and give notification of acceptance, but leave without possession of the item. Then the later party gets the convenience of visiting its point-of-access associate 42 and not only giving notification of acceptance, but also taking
10 possession of the item. That way, the earlier party has to re-visit its point-of-access associate 42 a second time to take possession. Alternatively, the earlier party to visit its point-of-access associate 42 and give notification of acceptance may be allowed to leave with possession of the item, provided it also provides security or buys insurance and the like.

15 An additional variation includes the following. By way of background, various objects of the invention are met when the one user 50¹ gets its item 55¹ to the point-of-access associate "B" 42b relatively proximate the other user 50⁰ while the other user 50⁰ achieves getting its item 55⁰ to the point-of-access associate "A" 42a relatively proximate the one user 50¹. Needless to say, this can be accomplished as also shown by FIGURE 2. That is, one or both the users 50¹ and/or 50⁰ may ship directly to the respective point-of-access associate
20 42b or 42a that is proximate the opposite party 50⁰ or 50¹, respectively. Again, either user 50¹ or 50⁰ can entrust its respective item 55¹ or 55⁰ with the service 40's process of secured exchange by either way. That is, either by supplying or shipping the item 55 to one point-of-access associate 42a which then relays the item to another point-of-access associate 42b relatively close to the opposite party, or else by undertaking the shipping all on one's own
25 accord and shipping the item 55 to such other point-of-access associate 42b which happens to be relatively close to the opposite party.

As mentioned previously, the secured exchange facility of the association 40 provides enhanced trustworthiness between barter exchanging parties who have no real history

dealing with each other or otherwise having a good opportunity to evaluate the other's item. It is an object of the secured exchange facility of the association 40 to provide greater comfort between parties 50⁰ and 50¹ that each is not totally reliant on the kindness of strangers making such swaps take place to the pleasure of both.

5 FIGURE 2 has assumed a very simple swap arrangement. The swap arrangement might have further complexities including some of the following. The swap might take place in a three way exchange. Or else, the point-of-access 42 used by any party 50¹ or 50¹ need not be the same for depositing its own item and picking up the incoming item. Indeed, the one party 50¹ might be reckoned as an organization having an available item at one locale
10 150¹ which it is willing to swap for an incoming item to be picked up at the original locale 50¹, and so on, the same being true for the other party 50⁰ and 150⁰. Presumptively, each of the alternate locales 150¹ and 150⁰ find respective point-of-access associates 42 (these other point-of-access associates 42 are not shown in FIGURE 2) to deal with at their convenience.

15 The secured exchange facility of the service 40 can be modified by varying rules-of-the-service, as follows. Assume sender 50¹ agrees to send item 55¹ to receiver 50⁰ either for payment or exchange of item 55⁰, it not mattering which for the moment. After the agreement has been reached between the parties 50¹ and 50⁰, the use of the service 40 can work this way. The chosen point-of-access associate 42a of sender 50¹ is given a description
20 of the item-to-be-sent 55¹, which description presumptively conforms to an acceptable model format established by the service bureau 44. A clerk of point-of-access associate 42a is authorized to use the description, which description is either given to the clerk in a certified form by the sender 50¹ or else downloaded from the service 40's web site 30, to use to make the following determination. That is, the clerk makes a determination if the item 55¹ is
25 reasonably what it should be. The clerk's determination may be binding on the receiver 50⁰ to perform as obliged (eg., pay if payment was agreed upon), or else provisionally binding on the receiver to perform at least in part as obliged. Performance in part might include

having the receiver 50⁰ pay in part (eg., to at least cover one-way or round-trip shipping plus a fee) else deposit its swap item 55⁰ with its chosen point-of-access associate 42b.

The invention having been disclosed in connection with the foregoing variations and examples, additional variations will now be apparent to persons skilled in the art. The invention is not intended to be limited to the variations specifically mentioned, and
5 accordingly reference should be made to the appended claims rather than the foregoing discussion of preferred examples, to assess the scope of the invention in which exclusive rights are claimed.